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CBOT HOLDINGS INC  
Form 425  
December 12, 2006

Filed by Chicago Mercantile Exchange Holdings, Inc. pursuant  
to Rule 425 under the Securities Act of 1933, as amended, and  
deemed filed pursuant to Rule 14a-12 under the Securities  
Exchange Act of 1934, as amended.

Subject Company: CBOT Holdings, Inc.

Subject Company's Commission File No.: 001-32650

This material is not a substitute for the prospectus/proxy statement and any other documents CME and CBOT intend to file with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read such prospectus/proxy statement and any other such documents, when available, which will contain important information about the proposed transaction. The prospectus/proxy statement would be, and other documents filed or to be filed by CME and CBOT with the SEC are or will be, available free of charge at the SEC's Web site ([www.sec.gov](http://www.sec.gov)) or from Chicago Mercantile Exchange Holdings Inc., Shareholder Relations and Membership Services, 20 South Wacker Drive, Chicago, Illinois 60606, Attention: Beth Hausoul.

CME and its directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about CME's directors and executive officers is available in CME's proxy statement, dated March 10, 2006, for its 2006 annual meeting of stockholders. Additional information about the interests of potential participants will be included in the prospectus/proxy statement when it becomes available. This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

The following is a presentation that CME plans to use in connection with the proposed merger from time to time.

\* Name effective upon transaction closing.

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#### Discussion of Forward-Looking Statements

Statements in this news release that are not historical facts are forward-looking statements. These statements are not guaranteed performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may materially differ from what is expressed or implied in any forward-looking statements. Among the factors that might affect our performance are: increasing competition by foreign and domestic competitors, including new entrants into our markets; our ability to keep pace with technological developments, including our ability to complete the development and implementation of the enhanced functionality of our products and services; our ability to continue introducing competitive new products and services on a timely, cost-effective basis, including our ability to maintain our electronic trading capabilities, and our ability to maintain

the competitiveness of our existing products and services; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to continue to realize the benefits of our transaction processing provided to third parties; our ability to maintain existing customers and attract new ones; our ability to expand and offer our products in foreign jurisdictions; changes in domestic and foreign regulations; changes in government policy, including policies relating to common or directed clearing; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; our ability to generate revenue from our market data that may be reduced or eliminated by the growth of electronic trading; changes in our rate per contract due to shifts in the mix of the products traded, the trading venue and the number of customers (whether the customer receives member or non-member fees or participates in one of our various incentive programs); the impact of our tiered pricing structure; the ability of our financial safeguards package to adequately protect us from the credit risk of our clearing firms; changes in price levels and volatility in the derivatives markets and in underlying fixed income, equity, foreign and commodity markets; economic, political and market conditions; our ability to accommodate increases in trading volume without degradation of performance of our systems; our ability to execute our growth strategy and maintain our growth effectively; our ability to manage the risks and control the costs associated with our acquisition, investment and alliance strategy; industry and customer

consolidation;  
decreases  
in  
trading  
and  
clearing  
activity;  
the  
imposition  
of  
a  
transaction  
tax  
on  
futures  
and  
options  
on  
futures  
transactions;

and seasonality of the derivatives business. More detailed information about factors that may affect our performance may be found in our press release for the merger and our filings with the Securities and Exchange Commission, including our most recent Quarterly Report on Form 10-Q, which is available in the Investor Information section of the CME Web site. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Additional Information**

This material is not a substitute for the prospectus/proxy statement and any other documents CME and CBOT intend to file with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read such prospectus/proxy statement and any other documents, when available, which will contain important information about the proposed transaction. The prospectus/proxy statement, and other documents filed or to be filed by CME and CBOT with the SEC are or will be, available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or from CME by directing a request to CME, 20 South Wacker Drive, Chicago, IL 60606, Attention: Shareholder Services, or from CBOT by directing a request to 141 West Jackson Boulevard, Chicago, IL 60604, Attention: Investor Relations.

CME, CBOT and their respective directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies from the security holders of CME or CBOT in connection with the proposed transaction. Information about CME's directors and executive officers is available in CME's proxy statement, dated March 10, 2006, for its 2006 annual meeting of stockholders, and information about CBOT's directors and executive officers is available in CBOT's proxy statement, dated March 29, 2006, for its 2006 annual meeting of shareholders. Additional information about the interests of potential participants will be included in the prospectus/proxy statement when it becomes available. This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall it constitute any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

**NOTE:**

Unless  
otherwise  
noted,  
all  
references  
to

CME  
volume,  
open  
interest  
and  
rate  
per  
contract  
information  
in  
the  
text  
of  
this  
document  
exclude

CME's non-traditional TRAKRS<sup>SM</sup>  
products, for which CME receives significantly lower clearing fees of less than one cent per contract on average, as  
well as CME Auction Markets  
products.

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Product innovation is the hallmark of derivatives

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Innovation

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CFTC Roundtable

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Declining trading rates per contract

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New product volume from derivatives exchanges

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New product listings from derivatives exchanges

#

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CME/CBOT merger is a landmark Transaction

Combination will establish the world's most diverse  
global exchange and provide significant value to CME's  
and CBOT's customers and shareholders

Solidifies combined company's status as  
the premier global exchange

Expands presence in attractive derivatives markets

Positions combined company for continued growth

Creates operational and cost efficiencies for customers

\$125+ million in estimated annual cost savings expected to be achieved year two post closing

Expected to be accretive to earnings  
12  
18 months post close

Potential revenue opportunities

Enhances operating efficiencies  
Strategically  
Attractive  
Financially  
Compelling

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CME/CBOT Merger Benefits

Well-Positioned

in Dynamic,

Competitive

Global Industry

Stronger Base

to Build Core

Derivatives

Business  
Accretive  
Transaction  
Platform for  
Product  
Innovation and  
Growth  
Substantial  
Benefits  
Transaction expected to create value for shareholders of  
both companies  
Synergy  
Opportunities  
Significant User  
Benefits

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CME and CBOT customers will benefit from increased scale, liquidity, product diversification and functionality

Significant User Benefits

Creates operational and cost efficiencies for market users

Access to distinct products and services on an integrated platform

Broad pipeline of innovative new products and

functionality

Efficiencies through integrated systems and combined open-auction trading environment

Seamless continuation of current clearing services, which secures existing margin benefits for customers

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CME/CBOT clearing agreement  
Announced in April 2003  
Fully operational in January 2004

Clearing agreement provides substantial savings for our  
clearing firms and their customers  
\$1.6 billion decrease in performance bonds for users  
\$200 million decrease in security deposits for clearing firms  
Combined risk capital pool and generated other operational  
efficiencies  
Significant User Benefits: Continuing Clearing Synergies



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+

CME/CBOT will be a platform for innovative growth

The combined company provides a strong platform for bringing innovation, broader access and efficiencies to

traditional Over-The-Counter markets

CME Clearing 360

Credit Derivatives

Alternative Markets

**OTC Cash FX trading**

\$2 trillion in daily turnover

**FXMarketSpace FX cash**

and swaps clearing

**Interest rates swaps**

clearing

**Trading and clearing for**  
the \$20 trillion  
(outstanding) OTC credit  
derivatives market

**Trading and clearing of**  
weather, real estate, and  
economic indexes  
commonly traded in OTC  
markets

**The \$250 trillion**  
(outstanding) interest rate  
swaps market

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Derivative market growth and size

OTC derivatives markets are much larger and  
growing faster than exchange-traded derivatives

\$-

\$50,000

\$100,000

\$150,000

\$200,000

\$250,000

\$300,000

Dec. 2001

Dec. 2003

Dec. 2005

Total Value Outstanding Positions (measured in notional value as of year-end)

Exchange Traded

OTC

CAGR 01-05

OTC

27%

Exchange

Traded

25%

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Global Equity Market

87%

13%

Off-Exchange

On-Exchange

Average Daily Volume

Global Derivatives Market

17%

83%

On-Exchange

Off-Exchange

\*Sources:Accenture ( Story Waters Ahead: Stock Exchanges are Heading Towards a

Turbulent Future ); BIS, NASD/TRACE, WFE  
On-Exchange trading across markets  
Equity markets and derivatives differ significantly -  
equity exchanges compete with other equity exchanges  
while derivatives exchanges compete with the larger  
OTC/Off-exchange markets

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Growth of European exchange-traded derivatives

Relative Volume Market Shares between the US and Europe  
of Exchange-Traded Futures Products

57%

46%

0%

10%

20%

30%

40%

50%

60%

70%

80%

90%

100%

CME, CBOT, and NYMEX combined volume market share

Euronext, Eurex, LIFFE combined volume market share



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Global derivative market shares

Regional Market Shares Exchange-Traded

Futures and Options on Futures

(Volume)

US Exchanges

28%

International

Exchanges

72%

Regional Market Shares Exchange-Traded

Derivatives

(Notional Value)

North America,

56%

Europe, 37%

Asia , 7%

All Other Places, 1%

Non-US exchanges have substantial market share and room for growth, given Asia's small share (in notional value)

\*Source: FIA

\*Source: BIS

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Exchange-traded derivatives statistics

Top 20 Derivatives Contracts by Volume

In millions of contracts\*

Contract

Contract	Jan-Jun 2006	Jan-Jun 2005	% Change
----------	--------------	--------------	----------

Kospi 200 Index Options, KRX	1,208.70	1,069.42	13.0%
------------------------------	----------	----------	-------

Eurodollar Futures, CME	244.63	207.85	17.7%
-------------------------	--------	--------	-------

Euro-Bund Futures, Eurex	173.30	163.69	5.9%
--------------------------	--------	--------	------

TIIE 28-Day Interbank Rate Futures, Mexder	143.30	66.33	116.0%
--	--------	-------	--------

Eurodollar Options, CME	140.41	92.62	51.6%
-------------------------	--------	-------	-------

E-mini S&P 500 Index Futures, CME	129.45	100.63	28.6%
-----------------------------------	--------	--------	-------

10-Year T-Note Futures, CBOT	124.92	113.55	10.0%
------------------------------	--------	--------	-------

DJ Euro Stoxx 50 Index Futures, Eurex			
---------------------------------------	--	--	--

108.36

66.63

62.6%

Euribor Futures, Euronext.liffe

101.78

85.10

19.6%

Euro-Bobl Futures, Eurex

92.71

84.12

10.2%

\*excludes contracts based on individual equities

\*Source: FIA

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Futures markets are global, not just domestic

Eurex/EurexUS  
Currency futures  
Russell 1000  
Treasury futures

Euronext  
Eurodollar  
Japanese Government Bond

3 Month Euroyen Tibor

Nymex  
Brent Crude Oil

ICE/IPE  
WTI Crude Oil

CME  
Nikkei 225 (Yen based)  
Euroyen  
E-Mini S&P Asia 50  
E-Mini MSCI EAFE  
Non-US dollar fx cross rates

CBOT  
Bund, Bobl, Schatz

SGX  
Eurodollar  
Nikkei 225  
Japanese Government Bond  
Euroyen Tibor and Euroyen Libor  
S&P CNX Nifty Index  
Futures exchanges compete in domestic and  
international markets

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Clearing members are global

The largest clearing firms are members of many exchanges/  
clearing houses -

capable of providing clearing services  
globally, for many derivative products

UBS

Morgan Stanley

Merrill Lynch

Man Financial

Lehman Brothers

J.P. Morgan

HSBC

Goldman, Sachs

Fimat  
Deutsche Bank  
Citigroup  
Bear, Stearns  
Barclays  
Banc of America  
ABN AMRO  
SFE  
SGX  
JSCC  
Eurex  
LCH  
CCorp  
DTCC  
NYCC  
NYMEX  
OCC  
CME  
FIRM  
International  
Domestic  
Sources World's CCP Org.; Web sites; Annual Reports  
SGX -Singapore Exchange  
SFE -  
Sydney Futures Exchange  
OCC -  
Options Clearing Corporation  
NYCC -  
New York Board of Trade Clearing Corporation  
DTCC -  
Depository Trust Clearing Corporation  
LCH -  
London Clearing House  
CCorp -  
The Clearing Corporation  
JSCC -  
Japanese Securities Clearing Corporation



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Investment Banks

Consortia Involvement

EBS

1

FXAll

BrokerTec<sup>1</sup>

BrokerTec

Futures<sup>2</sup>

Creditex

EuroMTS

ICE

MarketAxess

Mark-it

Partners

Swapswire

TradeWeb<sup>3</sup>

Bank of America

Bear Stearns

Citibank

Credit Suisse

Deutsche Bank

Goldman

JP Morgan

Lehman Brothers

Merrill Lynch

Morgan Stanley

UBS

1 Sold to ICAP

2 Sold to Eurex

3 Sold to Thomson Corporation

Foreign Exchange

Fixed Income

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Investment Banks

Consortia Involvement

Phil.

Stock

Exch.

Chicago

Stock

Exch.

ISE

Stock

Exch.

Boston

Equities

Exch.

National

Stock  
Exch.  
Arca'  
Brut  
Project  
Turquoise  
Bank of America  
Bear Stearns  
Citibank  
Credit Suisse  
Deutsche Bank  
Goldman  
JP Morgan  
Lehman Brothers  
Merrill Lynch  
Morgan Stanley  
UBS  
1 Sold to NYSE  
Equities

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Recent Merger Activity

Stated Rationale

Exchange Transactions

Acquiror

Target

Stated Rationale

Source

CME

CBOT

Scale

Breadth of products

Cost synergies

10/17/06 CME Press Release

ICE

NYBOT

Revenue and cost synergies

Complementary customer base

New market access

Electronification of NYBOT products

9/14/06 ICE Press Release

NYSE

Euronext

Scale

Product diversity

Cost and revenue synergies

Common vision

Minimal regulatory risk

5/21/06 NYSE Press Release

NASDAQ

LSE

Creates global equity platform

Natural marketplace for international issuers

Scale

Cost synergies

3/10/06 NASDAQ Press Release

IDB Transactions

Acquiror

Target

Stated Rationale

Source

Collins Stewart

Chapdelaine

Increased North American presence

Increased credit derivative exposure

10/27/06 Collins Stewart Press Release

GFI

Amerex

Broadens product offering into energy

9/7/06 GFI Press Release

Creditex

CreditTrade

Scale

Combines electronic and voice brokerage

7/25/06 Creditex Press Release

ICAP

EBS

Cost synergies

Expands presence in FX

4/21/06 ICAP Press Release

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0

200

400

600

800

1,000

1,200

1,400



1,600  
1,800  
2,000  
2,200  
2,400  
2,600  
2,800  
3,000  
3,200  
3,400  
3,600  
3,800  
4,000  
4,200  
4,400  
4,600  
4,800

Technology Innovation  
Monthly CME Globex ADV  
Speed  
Upgrade  
Remote Data Center  
Implied  
Spreads  
Performance  
Upgrade  
Capacity  
Upgrade  
Speed Upgrade  
Capacity Upgrade  
Flexibility Upgrade  
Reliability Upgrade  
Implied Spread  
Enhancements  
2003  
2002  
2001  
2006  
2004  
(round turns, in thousands)  
Eurodollars on  
CME GLOBEX  
New  
Initiatives  
2005  
CME Eurodollar  
Implied Butterfly  
Spreads  
New equity option spreads/  
RFQ functionality

CME Eurodollar  
algorithm enhancement  
4,022  
Options Functionality  
Enhancements  
Nov  
06

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Product innovation is the hallmark of derivatives

CME innovations

Cash-settled contracts like S&P 500 Index Futures and Eurodollar futures

Mutual offset between CME and SGX

TRAKRS futures contracts with Merrill Lynch

Long-dated index futures contracts that can be held through a securities account

Goldman Sachs Commodity Index Excess Return (GSCI ER)

Long-dated index futures that are components of a trust and basis for a listed security

Rolling Spot FX futures contracts

Derivatives contract designed to mimic the FX cash market

Credit derivative futures

Recently developed event future contracts

In the OTC market

Interest Rate swaps and swaptions

Credit derivatives -

individual and indexes

Structured products like asset backed securities

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New product by futures exchanges listings

CME leads the pack with 106 new contracts listed 1999-2005

A listing  
for these purposes is a line item on FIA Volume Reports

although one may count differently than FIA

E.g.,

FIA clusters all CME weather contracts as single line item

Source: FIA Volume Reports

106

17

21

13

26

4

10

15

Total

23

5

5

3

3

0

2

5

Options

83

12

16

10

23

4

8

10

Futures

CME

94

24

10

17

15

14

2

12

Total

35

11

3

5

7

5

1

3

Options

59  
13  
7  
12  
8  
9  
1  
9  
Futures  
EUREX  
38  
1  
3  
5  
4  
8  
3  
14  
Total  
14  
1  
2  
2  
0  
3  
1  
5  
Options  
24  
0  
1  
3  
4  
5  
2  
9  
Futures  
LIFFE  
31  
2  
5  
5  
5  
10  
4  
0  
Total  
3  
0  
0

2

1

0

0

0

Options

28

2

5

3

4

10

4

0

Futures

CBOT

Total

2005

2004

2003

2002

2001

2000

1999

New product listings from derivatives exchanges



22

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112,341,228

100,523,137

75,040,886

56,876,506

33,383,015

11,365,924

863,543

CME ex

TRAKRS

154,800,308

118,679,191

94,961,328

66,658,188  
33,383,015  
11,365,924  
863,543

CME

22,626,167  
23,121,026  
26,133,088  
22,408,485  
23,812,255  
5,727,592  
2,422,103

EUREX

59,128,132  
66,816,611  
66,637,940  
39,933,392  
27,424,133  
8,624,390  
6,425,221

LIFFE

33,536,806  
28,520,086  
14,376,567  
3,720,135  
1,339,423  
1,334,373

0

CBOT

2005  
2004  
2003  
2002  
2001  
2000  
1999

New product volume of representative exchanges

Source: FIA Volume Reports

New Product (Futures & Options) Volume by Exchange

0

20,000,000  
40,000,000  
60,000,000  
80,000,000  
100,000,000  
120,000,000  
140,000,000  
160,000,000

1999  
2000

2001

2002

2003

2004

2005

CBOT

LIFFE

EUREX

CME

CME ex TRAKRS

New product volume from derivatives exchanges

23

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Potential for Competitive Entry and Expansion Constrains Pricing

The threat of groups of large customers shifting trading volumes  
to

alternate exchanges disciplines exchange pricing.

Select large customers account for a sizeable share of trading for major CME and CBOT  
contracts and can create new exchanges for high volume contracts.

The Commodity Futures Modernization Act of 2000 simplified the regulatory approval  
process.

Exchanges have entered and competed to attract liquidity.

Intercontinental Exchange (ICE) was formed by a collection of major dealers in 2000 and acquired the IPE exchange in 2001. It is now the second largest energy futures exchange.

NYSE has stated its intention to expand into futures exchange business.

Exchange and clearing facilities are readily available

Electronic platforms are available from third parties, including LIFFE's CONNECT platform and OM's Click platform.

Clearing services can be organized by a consortium of customers and are available from such third parties as Eurex Clearing AG, LCH, New York Clearing Corp., OM, Options Clearing Corp., NYMEX, and The Clearing Corporation.

Both clearing and electronic trading platforms are highly scalable and can be expanded rapidly.

CME  
effectively  
doubled  
the  
size  
of  
its  
clearing  
operation  
after  
taking  
on  
CBOT's  
clearing  
function.

Trading on additional commodities can be readily added to existing trading platforms.

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IR Globex Futures ADV and RPC

Rolling 3 Month Avg

\$0.500

\$0.650

\$0.800

\$0.950

\$1.100  
\$1.250  
\$1.400  
\$1.550  
0  
200  
400  
600  
800  
1,000  
1,200  
1,400  
1,600  
1,800  
2,000

IR Globex ADV

IR Globex RPC

Declining trading rates per contracts

Notes from past comments on fungibility  
to the CFTC



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CFTC Roundtable

In 2002 CME participated in a CFTC Roundtable  
discussion of fungibility  
Through a written statement submitted in August 2002  
Through a presentation to the CFTC later that fall

CME's comments focused on 3 pillars  
distinguishing futures exchanges that proscribed  
fungibility would undermine  
Innovation  
Liquidity, open access and price transparency  
Financial integrity

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3 Pillars -

Innovation

Diversity of futures contract designs

Securities exist independently and apart from securities exchanges

stock options were standardized by Put and Call Dealers Association  
before 1972 introduction of CBOE

BUT

futures are *constructed products*

that do not exist apart

from futures exchange

invoking intellectual property issues

Futures exchanges attempt to add unique value

products are

rarely generic, *e.g.*,  
agencies, swaps

Innovation key to exchange value proposition and growth  
Enforced or proscribed fungibility stifles new product innovation  
At worst, it begs question  
why innovate?

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3 Pillars -

Liquidity

Liquidity and price transparency

Futures only have utility if they offer enhanced liquidity  
relative to cash or derivative market solutions

But

liquidity as elusive as it is vital  
Successful futures concentrate activity in open, transparent  
marketplace, achieving critical mass  
of liquidity

CME promotes openness and transparency

Price discovery, transparency, open market access and  
competition enhanced by centralized liquidity pool

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3 Pillars -

Financial Integrity

Financial Integrity

Designated Contract Markets are bound by Core Principle 11 of  
the

Commodity

Futures

Modernization

Act

of

2000

to

provide

for the *financial integrity*

of its markets

A vertically integrated structure allows CME properly to

discharge that duty

CME has never experienced a default

Reliability and operating costs

A vertically integrated exchange promotes reliability with coordinated execution, clearing, settlement

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At issue -

Control

Issue is actually about control of bid-offer spread

The majority of [exchange] shareholders are locals whose interest is in maintaining the grip of

open outcry

[preventing]

other forms of trading

such as *internalization or*

*crossing*

because of the rules requiring exposure to the floor  
[or electronic order book].

Kevin Davis in CFTC testimony

Per former SEC Chairman Arthur Levitt

Internalization

substantially reduce[s] the opportunity for  
investor orders to interact

[which]

may hamper price

competition, interfere with

public price discovery, and detract

from the depth and stability of the markets

Price matching dealers

take advantage of the public price

discovery process

but need not contribute to the process of

price discovery

This creates disincentives for vigorous price competition, which

could lead to wider bid-asked spreads, less depth, and higher

transaction costs

all orders could receive poorer executions



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Conclusion

Motivation behind fungibility and common clearing

The proponents of fungibility and common clearing seek to internalize their dealings, take the markets upstairs and exploit the profit from the bid/ask spreads.

In doing so, they will no doubt make lots of money, but there will be two fundamental casualties in their wake.

Casualties of fungibility

The first [casualty] will be in the transparency implicit in the exchange-transaction-process

Need we revisit the causes of the

Enron debacle?

The second casualty will be that of innovation. Does anyone here

remember the last innovation produced by a utility?